In the Specification:

On page 2, lines 3-7, kindly replace the following paragraph:

The invention disclosed herein relates generally to a system and method for identifying what products and offers to make available to visitors to on-line stores, such as web sites. More particularly, the present invention relates to a system and method for dynamically scoring on-line transactions via the Internet using customer-provided information as well as demographic information ~~form~~ <u>from</u> third-party sources.

On page 5, lines 2-3, kindly replace the following paragraph:

It is an object of the present invention <u>to</u> solve the problems with existing data mining applications.

On page 6, lines 8-17, kindly replace the following paragraph:

The system ~~use~~ collects data from subscribers, appends demographics from third-party data providers, and delivers back to subscribers dynamically scored pages in real-time. As customer interact with subscriber sites, ZIP codes, physical address, E-mail addresses, or other demographic keys are routed to the system. The system uses dynamic models to cascade a set of propensity-to-purchase scored pages associated with customer e-mail addresses, or other keys. The subscriber sites can use the scored pages to personalize their marketing incentives and offers, such as offering certain products and/or prices only to those individuals likely to want to purchase targeted products and services. Subscribers to the system benefit from offline demographics and data mining analyses to target their offers and incentives without having to purchase and maintain any data mining software.

On page 9, lines 1-7 kindly replace the following paragraph:

The present invention is a web data mining system for use with a large, publicly accessible network 40, 50, such as the Internet. Operating as a service, subscriber servers 20 transmit their web data to the system 10 which returns to them their customer accounts

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segmented, prioritized and scored ready for same-day targeted messaging. The system automates the process 1) preparing web data for analysis, 2) transmitting it to remote data depositories for matching appends 30, 3) analyzing enhanced data via clustering, segmentation and modeling algorithms and 4) routing the results of the ~~analyzes~~ analyses back to the subscriber servers 20.

On page 23 lines 9-16, kindly replace the following paragraph:

Subscriber servers 20 would like to know what is selling and to whom so they can adjust their inventory and pricing. More importantly they need to know how to sell and what incentives, offers and ads work, and how they can design their site and their E-mail and wireless communications to optimize their profits. In a networked market environment, the margins and profits go to the quick and responsive players who are able to leverage predictive models to anticipate customer behavior and preferences. The type of analyses provided by the system to its subscriber servers is desirable in order for ~~the~~ them to make ~~decision~~ decisions about which clients are the most profitable and what their characteristics are in order to find more customers just like them.

On page 29, lines 6-14, kindly replace the following paragraph:

As is well-known, the ability to learn is one of the features of neural networks. They are not programmed as much as trained. A neural network trains on samples and can construct predictive models for "scoring" visitors' propensities to purchase behavior. Typically, a neural network is "trained" on observations about data relationships for example, "Males 34-39 purchase printers but not scanners." A neural network can gradually learn to detect this relationship and the features of these types of consumers. Neural networks are basically computing memories where the operations are association and similarity. They can learn when sets of events go together, such [[a]] as when one product is sold, another is likely to sell as well, based on patterns they observe and are trained by the data mining system over time.

On page 29, lines 15-20, kindly replace the following paragraph:

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The use of neural networks coupled with genetic algorithms can autonomously extract hidden relationships among web data and thereby determine if patterns ~~exists~~ exist which can yield actionable business and marketing intelligence. Web data mining goes beyond log analysis and ad clickstreams-- it is focused on the identification of customer attributes and their consumer behavior. The goals are generally to find out who is likely to purchase certain products and services and what are the features of the most loyal and profitable customers.

On page 30, lines 6-19, kindly replace the following paragraph:

A preferred embodiment of the present invention generally involves two phases for implementation. First, during a learning phase[[.]], the system learns the transactional patterns and demographics of subscriber website online customer. During the learning phase, a subscriber e-retailer, running a subscriber server 20, provides the system a historical sample of customer transactions. Preferably, this takes place over a period of 2 to 3 weeks; subscriber websites 20 simply install a small piece of code that will re-direct certain web data to the system servers 10. The system appends demographics from third-party databases 30 and develops a set of association rules and/or score formulas, which are loaded on the system server hub 10 and matched against new transactions. During this phase the system prepares, enhances, and mines the data and generates the code for its dynamic models. The models will be used to suggest what products and services customers are likely to want to purchase. These models will use both transactional data from the subscriber sites coupled with third party offline ZIP code and household demographics. During this phase, the subscriber site 20 transmits its transactional data to the system hub 10 for a period of several weeks, after which the recommendation phase begins.

On page 31, lines 16-23, kindly replace the following paragraph:

Although the invention has been illustrated and described in detail in the drawings and foregoing description, the same is to be considered as illustrative and not restrictive in character—it being understood that only representative embodiments have been shown and described, and that all changes and modifications thereto are within the spirit and scope of the invention are desired to be ~~are desired to be~~ protected. It should be understood that various

alternatives to the embodiments of the invention described herein can be employed in practicing the invention. It is intended that the following claims define the scope of the present invention and that structures and methods within the scope of these claims and their equivalents be covered thereby.